

"The Department of Managed Health Care (DMHC) conducted a routine survey of Kaiser Permanente in California in 2008 and 2009. We have been working with the DMHC to enhance and adapt health plan oversight of utilization management in our integrated care delivery structure. We appreciate the opportunity to share information with the DMHC about how the utilization management process is conducted in our integrated model.

Following the DMHC's Preliminary Report in late 2011, we met with the DMHC several times to seek guidance and discuss the health plan's continuing actions to resolve the remaining deficiencies related to utilization management. We take the DMHC's findings seriously, and we look forward to continuing our work with the DMHC and demonstrating the progress we have made in the subsequent survey.

Factual Corrections:

- 1) Deficiency #3, Page 11, refers to a "Delegations Agreement" and the correct name is "Delineation Agreement".
- 2) Deficiency #4, Page 14, under the heading "Plan's Compliance Effort" the Department refers to the Plan's re-evaluation of past reconstructive surgery cases. The Plan notes that the agreed upon look-back time frame was 2010- 2011."